

COLLECTION POLICY
for
KISSING TREE MASTER COMMUNITY, INC.

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

I, Chris Mastin, Board President of Kissing Tree Master Community, Inc. ("Association"), do hereby certify that in the open session of a properly noticed meeting of the Board of Directors ("Board") of the Association, duly called and held on the 25th day of June, 2025, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Collection Policy was duly approved by at least a majority vote of the members of the Board present at the meeting.

RECITALS:

1. The Board enforces the provisions of the Declaration applicable to the Property to address the collection and processing of assessments and other charges due and owing to the Association.
2. Article 6, Section 6.11 of the Master Covenant authorizes the Board to levy a late charge for Assessments that have not been received by the due date.
3. The Board desires to adopt a Collection Policy consistent with the Association's Dedicatory Instruments (as defined below) and state law.

COLLECTION POLICY

It is the policy of Kissing Tree Master Community, Inc. (the "Association") to enforce the provisions of the Dedicatory Instruments applicable to the Property regarding the collection of assessments and other charges due and owing to the Association in accordance with the following Collection Policy (this "Policy"):

Section 1. Definitions. Capitalized terms used in this Policy have the following meanings:

- 1.1. Assessment** - The Regular Assessment and other assessments including, but not limited to, Special Assessments, Special Common Area Assessments, Community Enhancement Fees, Service Area Assessments, Individual Assessments, Working Capital Assessments, Recreation Assessments, and any other charge(s) for which an Owner is responsible as provided for in the Declaration which is secured by the Association's lien and the collection which is governed by the Declaration and/or state law.

1.2. Declaration – shall mean the following:

a. Documents:

- (1) Master Covenant
- (2) First Amendment to the Master Covenant
- (3) Second Amendment to the Master Covenant
- (4) Community Enhancement Covenant
- (5) Kissing Tree Development Area Declaration [Driskill Age-Restricted]
- (6) Kissing Tree Development Area Declaration [Fair Park Age-Restricted]
- (7) Kissing Tree Development Area Declaration [Lomita Age-Restricted]
- (8) Kissing Tree Phase 2A Notice of Annexation [Fair Park Age-Restricted]
- (9) Kissing Tree Phase 2A-1 Notice of Annexation [Fair Park Age-Restricted]
- (10) Kissing Tree Phase 3A Notice of Annexation [Lomita Age-Restricted]

b. Recording Information:

- (1) Hays County Clerk's File No. 16036339
- (2) Hays County Clerk's File No. 19007296
- (3) Hays County Clerk's File No. 20002310
- (4) Hays County Clerk's File No. 16036502
- (5) Hays County Clerk's File No. 16036504
- (6) Hays County Clerk's File No. 16036505
- (7) Hays County Clerk's File No. 18023965
- (8) Hays County Clerk's File No. 16036634
- (9) Hays County Clerk's File No. 16036635
- (10) Hays County Clerk's File No. 18023973

“Declaration” also includes any other applicable amendments, annexations or supplements not included in the list above and any future amendments, annexations or supplements.

1.3. Dedicatory Instruments - Each document governing the establishment, maintenance or operation of the properties within the Property, as more particularly defined in Section 202.001(1) of the Texas Property Code.

1.4. Property – shall mean the following:

- Paso Robles, Phase 2A, a subdivision in Hays County, Texas according to the map or plat thereof recorded under Document No.

16018497 of the Official Public Records of Hays County, Texas, and all amendments to or replats of said maps or plats, if any.

- Paso Robles, Phase 2A-1, a subdivision in Hays County, Texas according to the map or plat thereof recorded under Document No. 16029413 of the Official Public Records of Hays County, Texas, and all amendments to or replats of said maps or plats, if any.
- Paso Robles, Phase 2B, a subdivision in Hays County, Texas according to the map or plat thereof recorded under Document No. 16041161 of the Official Public Records of Hays County, Texas, and all amendments to or replats of said maps or plats, if any.
- Paso Robles, Phase 3A, a subdivision in Hays County, Texas according to the map or plat thereof recorded under Document No. 18015371 of the Official Public Records of Hays County, Texas, and all amendments to or replats of said maps or plats, if any.

“Property” shall also include any and all other subdivisions that have been annexed or will be annexed into or otherwise fall under the jurisdiction of the Association, if any, that are not included above.

Other capitalized terms used herein have the same meanings as that ascribed to them in the Master Covenant.

Section 2. Due Date. Regular Assessments, Special Common Area Assessments, and Service Area Assessments shall be due by the first (1st) day of January, or such other date established by the Master Covenant or the Board of Directors (“Board”). All other Assessments shall be due in the time period established by the Board if such date is not established in the Declaration.

Section 3. Cost Recovery. Each Assessment, together with interest, costs, late charges and attorney fees incurred in a collection action shall be secured by a continuing lien upon each Lot and Condominium Unit and shall be the personal obligation of the Owner. Unless otherwise prohibited by law or as otherwise provided by the Association’s Dedicatory Instruments, all costs of collection, expenses, and fees charged to, or paid by, the Association collecting, or attempt to collect, Assessments shall be assessed against the Lot or Condominium Unit and shall also become the personal obligation of the Owner as and when incurred. Cost of collection shall include, but not be limited to, charges imposed by the Association for sending collection notices/letters, charges imposed by the Association’s management company for sending collection notices/letters, attorney fees, legal expenses (postage, copies, filing fees, etc.), and charges or administrative costs/fees imposed by the Association’s management company for monitoring delinquent accounts and/or turning over delinquent accounts to the Association’s collection agent (including the Association’s attorney).

Section 4. Delinquency Processing. Unless otherwise stated in the Declaration or action approving same, an Assessment is considered delinquent if it is not paid on or before the Due Date.

Section 5. Notices. All collection notices sent to the Owner below shall contain notice of the amount then due.

- 5.1. **Delinquent Notice(s).** The Association may, but is not required to, send one or more delinquent notices at a time to be determined by the Board before sending the Final Delinquent Notice described below.
- 5.2. **Final Delinquent Notice.** The Association shall, before turning a delinquent owner over to a collection agent (including the Association's attorney), send to the Owner a notice that complies with Section 209.0064 of the Texas Property Code. Additionally, if an Owner's use rights in the Common Area are to be suspended, the notice may include the provisions required by Section 209.006 of the Texas Property Code. The Association retains the right to send a letter that complies with Section 209.006 of the Texas Property Code regarding suspension of an Owner's Common Area use rights as a separate mailing.

Section 6. Interest. Unless otherwise provided by the Declaration, any Assessment not paid within thirty (30) days of the Due Date shall bear interest from the Due Date at the rate of ten percent (10%) per annum.

Section 7. Late Charge. A late charge of \$25 and 1.5% interest will be incurred on any Assessments that is not paid in full on or before the Due Date. The late charge will be based upon the full amount of the applicable Assessment regardless of whether the full amount of the applicable Assessment is delinquent, or some portion less than the full amount of the applicable Assessment is delinquent. Late charges are in addition to, not in lieu of, interest.

Section 8. Payment Plan and Partial Payments. All Owners will be offered a payment plan in accordance with Section 209.0062 of the Texas Property Code and the Association's Payment Plan Policy. If accepted by the Association, partial payments shall be posted in accordance with Section 209.0063 of the Texas Property Code unless the owner is in default under a payment plan at the time the Association receives the payment. The acceptance of a partial payment for less than the full amount due at the time payment is made shall not constitute waiver or forgiveness of the remaining balance. If an Owner enters into a payment plan per the Association's Payment Plan Policy, Owner is responsible for any and all administrative cost provided for in the Payment Plan Policy. The Association will not accept cash payments.

Section 9. Dishonored Checks. Checks dishonored by the bank (e.g., NSF checks) may (but are not required to) be re-deposited by the Association. Whether or not a dishonored check is re-deposited, a dishonored check will incur a dishonored check processing fee in the amount of \$25.00 to offset the additional processing involved and a dishonored check notice may (but is not required to) be sent requesting payment in full by cashier's check or money order. In the event a dishonored check notice is sent and the amount due is not paid in full within ten (10) days of the mailing of the dishonored check notice, the Association may initiate or continue collection

activity. If a dishonored check notice is not sent, the Association may proceed with collection activity immediately. In addition to the dishonored check fee charged by the Association, any bank fee(s) or any other type of fee(s) charged to the Association because of the dishonored check [including a management company fee(s), if any] shall be charged against the Owner's account and the amount of the dishonored check shall be reposted to the Owner's account. An Owner shall be responsible for all charges and/or fees incurred by the Association as a result of a dishonored check.

Section 10. Owner's Mailing Address. It is the responsibility and obligation of each Member who owns a Lot or Condominium Unit under the jurisdiction of the Association to provide the Member's mailing address to the Association and to promptly notify the Association in the event the Member's mailing address changes. In order to be effective, notice of the Member's mailing address or a change of the Member's mailing address must be mailed to the Association by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. It is the Member's responsibility to maintain evidence of receipt by the Association of Owner's notice of address change. The Association may, at its discretion, accept a notification of a change in an Owner's mailing address sent by regular mail or e-mail, however, an Owner that disputes the mailing address listed in the Association's records must be able to prove that the Owner sent an address change notification by providing evidence of receipt by the Association of Owner's notice of address change that was sent by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. Unless the Association is otherwise notified in writing, the Owner's mailing address shall be deemed to be the street address of the Owner's Lot or Condominium Unit, or the last alternative mailing address provided to the Association by the Owner in writing. All notices to an Owner pursuant to State law and the Association's governing documents shall be mailed to the Owner at the Owner's last known mailing address. If mail to an Owner is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the Owner may not be valid, the Association has the right, but not the obligation, to conduct a title search or other searches for the purpose of attempting to either verify the Owner's current mailing address or to obtain the Owner's current mailing address. Any costs incurred by the Association to verify an Owner's current mailing address or obtain an Owner's current mailing address shall be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the Owner. The failure of an Owner to receive a notice(s) or to properly notify the Association of a change in an Owner's mailing address shall in no way waive or negate the Owner's obligation to pay any Assessment or charge(s) authorized by the Declaration or state law. The submission of a check or other form of payment to the Association which sets forth an alternative address does not constitute notice of a change of the Owner's mailing address.

Section 11. Referral of Account to Association's Collection Agent. The Association, the Board, the Association's office staff if any, or the Association's management agent may, without further approval of or action needed by the Board other than the adoption of this Policy in the open session of a properly noticed Board meeting and filing this Policy in the applicable county records, refer any account to the Association's collection agent (including the Association's attorney) on which any portion of: (a) the current year's Assessment is delinquent; and/or (b) any portion of a previous year's Assessment is delinquent; and/or (c) any other charge(s) due

and owing to the Association that is authorized in the Association's Dedicatory Instruments or by state law is delinquent. Upon referral of an account to the Association's collection agent (including the Association's attorney) for collection, the collection agent is authorized to, without further instruction from the Board, take whatever action is necessary to collect the amount due including, but not limited to, sending demand letters, filing a lawsuit against the delinquent Owner for a money judgment and/or a judicial foreclosure, instituting an expedited foreclosure action if authorized by the Declaration and/or state law, foreclosing on the Lot or Condominium Unit, or any non-exempt assets of an Owner (includes the authority to allow the Association's attorney or designated agent to bid on and purchase the property at a trustee foreclosure sale or at a constable/sheriff's sale), and, in the event an Owner files bankruptcy, filing necessary claims, objections and motions in the bankruptcy court, and monitoring the bankruptcy case in order to protect the Association's interests.

Section 12. Required Action. Nothing contained herein, not otherwise required by the Declaration or by law, shall require the Association to take any of the actions contained herein. The Association's Board of Directors shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis and proceed with collection activity as in its best judgment deems reasonable.

Section 13. Lien Filing. In the event the Association decides to file an assessment lien, before the Association files the assessment lien (as that term is defined in Texas Property Code Section 209.0094), the Association must:

- a. Send an initial notice of delinquency:
 - (1) by first class mail to the Owner's last known mailing address as reflected in the Association's records;
 - or*
 - (2) by e-mail to an e-mail address the Owner has provided to the Association.

and

- b. Send a second notice of delinquency by certified mail, return receipt requested, to the Owner's last known mailing address as reflected in the Association's records not earlier than the 30th day after notice is given under Subsection a(1).

The Association may not file an assessment lien before the 90th day after the date notice of delinquency was sent to the property owner under Section 14(b).

Section 14. Sub-Associations. Certain Condominium Units within Kissing Tree are subject to membership in both Kissing Tree Master Community, Inc. (for purposes of this Section 14 and its subsections, the "Master Association") and another subordinate property owners' association (each being a "Sub-Association").

- 14.1. **Sub-Association Assessments.** Owners of such Condominium Units are advised that, in addition to the Assessments owed to the Master Association (the "Master Assessments"), they may owe one or more assessments to the applicable Sub-Association. Collection procedures for Sub-Associations are set forth in each Sub-Association's Collection Policy.
- 14.2. **Sub-Association's Collection of Master Assessments.** Unless the Master Association elects otherwise (which election may be made at any time), a Sub-Association will collect the Master Assessments payable to the Master Association by the Owners of Condominium Units subject to membership in that Sub-Association. In lieu of the Master Association mailing a notice of Master Assessments to each Condominium Unit, the Master Association has the option to mail a statement of Master Assessments to the applicable Sub-Association for each of the Condominium Unit Owners within that Sub-Association. The Master Association's remittance of a statement of Master Assessments to a Sub-Association will not be construed as a waiver of the Master Association's right to collect Master Assessments from the Condominium Unit Owners. If a Sub-Association fails to timely collect any portion of the Master Assessments due and owing from the Condominium Unit Owners, then the Master Association may collect such Master Assessments allocated to a Condominium Unit on its own behalf and enforce its lien against the Condominium Unit without joinder from the Sub-Association.

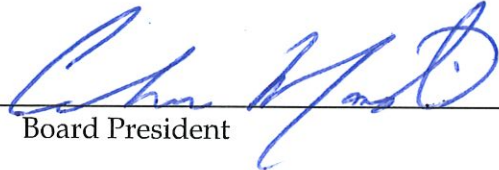
Section 16. This Policy replaces and supersedes any previous collection policy (or similarly named document), if any, adopted by the Association.

[Certification page follows.]

CERTIFICATION:

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Collection Policy was approved by at least a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Hays County, Texas.

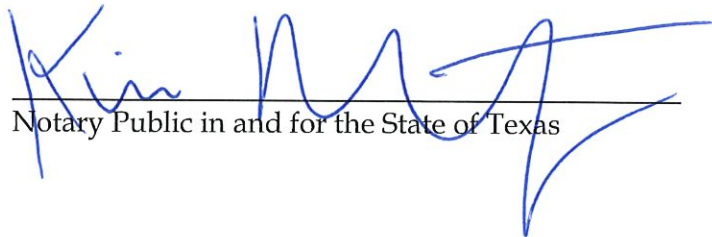
KISSING TREE MASTER COMMUNITY, INC.

By: 
Its: Board President

Printed: CHRIS MASTIN

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BEFORE ME, the undersigned notary public, on this 25th day of JUNE, 2025, personally appeared Chris Mastin, as Board President of Kissing Tree Master Community, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purpose and in the capacity therein expressed.


Notary Public in and for the State of Texas

